

IC 6-4.1-6

Chapter 6. Special Procedures for Appraising and Taxing Certain Property Interests

IC 6-4.1-6-1

Mortality standards and actuarial tables; valuation of future interests

Sec. 1. (a) For purposes of this article, county inheritance tax appraisers and the department of state revenue shall, if possible, appraise each future, contingent, defeasible, or life interest in property and each annuity by using the rules, methods, standards of mortality, and actuarial tables used by the Internal Revenue Service on October 1, 1988, for federal estate tax purposes.

(b) Except as otherwise provided in this chapter, the value of a future interest in specific property equals the remainder of:

- (1) the total value of the property; minus
- (2) the value of all other interests in the property.

(c) Unless otherwise provided by the transferor, the inheritance tax imposed on the transfer of each of the interests is payable from the property in which the interests exist.

As added by Acts 1976, P.L.18, SEC.1. Amended by P.L.95-1989, SEC.1.

IC 6-4.1-6-2

Property interests that may be divested

Sec. 2. County inheritance tax appraisers and the department of state revenue shall appraise a property interest which may be divested because of an act or omission of the transferee as if there were no possibility of divestment.

As added by Acts 1976, P.L.18, SEC.1.

IC 6-4.1-6-3

Agreements with department for computing taxes

Sec. 3. (a) The department of state revenue and a taxpayer may enter into an agreement under which the department will compute the inheritance tax due with respect to a taxable transfer if:

- (1) it is impossible to compute the present value of the property interest transferred; or
- (2) the tax imposed on the transfer cannot be computed because a contingency makes it impossible to determine who will take the property.

The personal representative of an estate or the trustee of a trust may, without court authorization, enter into such an agreement with the department on behalf of the estate or trust.

(b) When the department of state revenue enters into an agreement with a taxpayer under this section, the tax computed by the department is payable from the property interest transferred.

As added by Acts 1976, P.L.18, SEC.1.

IC 6-4.1-6-4

Manner of property distribution; circumstances where court determination required; finality

Sec. 4. For purposes of determining the inheritance tax imposed on a decedent's transfer of specific property, the appropriate probate court shall, so far as possible, determine the manner in which the property will probably be distributed if:

- (1) a contingency makes it impossible to determine each transferee's exact interest in the property; and
- (2) the department of state revenue and the taxpayer fail, within a reasonable time, to enter into an agreement under section 3 of this chapter.

Unless the court's determination is appealed, it is final and binding on all parties.

As added by Acts 1976, P.L.18, SEC.1.

IC 6-4.1-6-5

Appraisal of limited, contingent, dependent, or determinable interests

Sec. 5. If a probate court files an application with the department of state revenue asking the department to appraise a property interest which is limited, contingent, dependent, or determinable upon a life in being, including but not limited to a life or remainder interest, the department shall, if possible, appraise the property interest. The department shall base its appraisal on the facts stated by the court in the application, and the department shall certify its appraisal in duplicate to the court. The department's certification is competent evidence that the appraisal is correct.

As added by Acts 1976, P.L.18, SEC.1.

IC 6-4.1-6-6

Contingent or defeasible future interests; appraisal

Sec. 6. (a) If proceedings have not been instituted under this chapter to determine the inheritance tax imposed on the decedent's transfer of a contingent or defeasible future interest in property or if the tax imposed on such a transfer is postponed under subsection (b) of this section, the county inheritance tax appraiser or the department of state revenue shall, notwithstanding the provisions of IC 6-4.1-5, appraise the property interest at its fair market value when the transferee of the interest obtains the beneficial enjoyment or possession of the property.

(b) The inheritance tax imposed on the decedent's transfer of a contingent or defeasible interest in property accrues and is due when the transferee of the interest obtains the beneficial enjoyment or possession of the property if the fair market value of the property interest as of the appraisal date prescribed by IC 6-4.1-5-1.5 cannot otherwise be ascertained under this chapter.

As added by Acts 1976, P.L.18, SEC.1. Amended by Acts 1980, P.L.57, SEC.18.